

# **FISCAL NOTE**

## **SB 1337**

March 26, 2003

**SUMMARY OF BILL:** Provides for citizens over 70 years of age who have been the owner and taxpayer for at least 20 of the past 30 years of their major domicile or whose household annual income is less than \$20,000 to apply for senior citizen assessment status. Specifies that such status entitles the applicant to transfer title of their property to the state board of equalization for \$1.00 and lease the property from the board for an annual rental of \$1.00. Provides that the applicant may re-purchase the property from the board for \$1.00. Requires the applicant to pay the respective local governments a sum in lieu of property taxes equal to the last full year's property taxes due prior to transfer of ownership to the board. Authorizes the state board of equalization to own property, enter into leases, and declare property it owns exempt from local property taxes. Specifies that these provisions place no obligation on local governments and that the state shall incur all costs of administering the funding of such provisions.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - Exceeds \$100,000**

**Local Govt. Revenues - Net Impact - Not Significant**

Estimate assumes:

- an increase in expenditures for the state board of equalization to manage the senior citizen assessment program for personnel, computer systems, and other administrative costs estimated to be less than \$50,000 annually.
- a decrease in local government revenues from the loss of the growth in property tax revenues on properties transferred to the state board of equalization. This decrease is estimated to be less than \$100,000 in the first few years of the program but would exceed \$100,000 annually over time.
- an increase in state expenditures and a corresponding increase in local government revenues from the state compensating the local government for property taxes lost under the provisions of the bill.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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